



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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Timber Tax Personal Use of Timber by Landowner

This Excise Tax Advisory provides advice on how to distinguish between a landowner cutting timber for personal use and a landowner harvesting timber for commercial or industrial use. A landowner harvesting timber for commercial or industrial use pays timber excise tax upon the value of harvested timber. See, RCW 84.33.041, RCW 84.33.035 and RCW 84.33.073. A landowner cutting timber for that landowner's own personal use is not subject to the timber excise tax.

A landowner selling, bartering, or trading timber is making commercial use of that timber. A landowner providing that individual's own business with timber is making commercial or industrial use of that timber. For example, a logging contractor using timber by-products for hog fuel has made industrial use of that timber. An individual engaged in the construction industry using lumber from that landowner's timber to build a structure meant for sale by that individual or that individual's business has also made industrial use of the timber. On the other hand, a landowner makes personal use of timber when that individual uses the timber, a portion of the cut timber, or a by-product from the timber as:

- a) Firewood in that individual's stove or fireplace;
- b) Lumber for that individual's personal residence, garage or storage structure;
- c) Lumber for a fence around that individual's personal residence or private property not used for commercial purposes; or
- d) Sawdust or shavings for that individual's garden or yard.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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